

## Message Text

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70

ACTION IO-13

INFO OCT-01 EUR-25 ADP-00 AF-10 ARA-11 EA-11 NEA-10 RSC-01

EB-11 AID-20 COME-00 LAB-06 SIL-01 TRSY-11 CIAE-00

INR-10 NSAE-00 STR-08 SS-15 NSC-10 OMB-01 L-03 PA-03

PRS-01 USIA-12 RSR-01 /195 W  
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R 031629 Z APR 73

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 8314

INFO USMISSION USUN

UNCLAS VIENNA 2693

E. O. 11652: N/ A

TAGS: AORG EAID UNIDO UNDP

SUBJECT: UNIDO - IDB- VII COOPERATION BETWEEN UNIDO AND UNDP

SUMMARY. THE MISSION REFERS TO DOCUMENT ID/ B/126-- REPORT OF THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE AD HOC COMMITTEE ON UNDP/ UNIDO COOPERATION-- SCHEDULED FOR CONSIDERATION UNDER AGENDA ITEM 8. THE FOLLOWING " ISSUES" WHICH ARE IDENTIFIED IN THE DOC AS CONTINUING TO EXIST AS REGARDS UNDP/ UNIDO RELATIONSHIPS ARE CALLED TO THE DEPARTMENT' S ATTENTION.  
END SUMMARY.

1. SIS: ( A) THE REPORT INDICATES ( PARA 15) THAT THE QUESTION OF SUBMISSION OF ALL SIS PROJECT REQUESTS TO UNIDO FOR COMMENT, IRRESPECTIVE OF WHETHER OR NOT UNIDO IS INTENDED TO BE THE EXECUTING AGENCY, HAS NOT BEEN FULLY RESOLVED IN PRACTICE. THE DEPT WILL RECALL THAT THIS WAS A BONE OF CONTENTION BETWEEN UNIDO AND UNDP AT IDB- VI.

( B) UNIDO FEELS THAT IF ACTUAL ANNUAL EXPENDITURES ON SIS PROJECTS ARE TO REACH THE MAXIMUM UNDP ALLOCATION OF \$3.5 MILLION, SOME OVERPROGRAMMING MUST TAKE PLACE TO ALLOW FOR PROJECT CANCELLATION AND DELAYS. IT REPORTS THAT NO AGREEMENT HAS BEEN REACHED ON THIS POINT AND THAT THERE IS GROUND FOR  
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CONCERN THAT THE LOSS OF MOMENTUM SUFFERED BY THE PROGRAM IN 1972 WILL NOT BE FULLY REGAINED IN 1973 ( PARA 7).

2. UNIDO'S COORDINATION A SUBSEQUENT PUBLIC DECLARATION, CNT LEADERS STATED

THAT THEY INFORMED THE MILITARY CHIEFS OF THE PURPOSE OF THE MARCH 29 ACTIVITIES AND EXPLAINED THE CNT'S PLATFORM AND POSITIONS ON VARIOUS NATIONAL ISSUES.

2. THE LATEST SOURCE OF ANXIETY FOR THE PCU- CNT IN THEIR RELATIONS WITH THE MILITARY ARE THE PERSISTENT REPORTS THAT THE MILITARY ARE ABOUT TO PUSH FOR THE ENACTMENT OF LABOR LEGISLATION, WHICH IN THE CNT VIEW CAN ONLY BE " REPRESSIVE". COMMANDER OF MILITARY REGION ONE, GENERAL ESTEBAN CRISTI AND AIR FORCE CINC BRIGADIER PEREZ CALDAS, AS WELL AS MINISTER OF LABOR CARLOS ABDALA, WHEN QUESTIONED BY THE PRESS, ALL DENIED THAT NEW LABOR LEGISLATION IS ABOUT TO BE PROPOSED. HOWEVER, WE HAVE DIRECT INFORMATION THAT THE MILITARY ARE INFORMING THEMSELVES GENERALLY ABOUT LABOR LAW, THAT THERE IS A DRAFT LAW IN CIRCULATION, AND THAT THE CNT'S HAVE SOUGHT THE VIEWS OF THE SMALLER, DEMOCRATIC CUT CONFEDERATION ON THIS SUBJECT ( MONTEVIDEO A-31). ON MARCH 31, THE CNT ISSUED A STATEMENT OBSERVING THAT SUCH LEGISLATION WAS CONTRARY TO THE MILITARY'S COMMUNIQUE OF FEBRUARY AND CONCLUDING THAT SINCE THE MILITARY WERE NOT RESPONSIBLE FOR THE LATEST ANTI- LABOR CAMPAIGN, THEN IT MUST BE THE WORK OF PRESIDENT BORDABERRY AND OTHER " RIGHTISTS". THE COMMUNIEW PRESS CLAIMED THAT 150,000 ATTENDED THE RALLY WHICH CULMINATED THE PROTEST ACTIVITIES OF MARCH 29, AND THIS CAN ONLY BE CONSTRUED AS A TRANSPARENT ATTEMPT TO WARN THE MILITARY AWAY FROM ANY INVOLVEMENT IN LABOR AFFAIRS. ( OUR BEST ESTIMATE PLACES THE CROWD AT ABOUT 20,000, AND IT WAS NOT PARTICULARLY ENTHUSIASTIC.)

3. COMMENT: WHILE THE PCU- CNT WOULD OBVIOUSLY PREFER TO AVOID A CONFRONTATION WITH THE MILITARY, WE BELIEVE THAT IT IS ONLY A MATTER OF TIME BEFORE THE TWO SIDES FIND THEMSELVES LOCKED

ON OPPOSING SIDES OF A CRITICAL ISSUE. STRIKE AND TRADE UNION REGULATION HAS ALL THE REQUIREMENTS FOR SUCH AN ISSUE. UNLESS THE CNT FORSWEARS THE USE OF THE GENERAL STRIKE, WHICH IS UNLIKELY GIVEN THE INTERNAL POLITICS OF THE CONFEDERATION, THE MILITARY WILL SOON FEEL OBLIGED TO DEAL WITH THE ISSUE. WE INTERPRET THE DENIALS OF CRISTI AND PEREZ CALDAS AS MERELY POSTPONING THE BATTLE, NOT CALLING IT OFF ENTIRELY. AS FOR THE LABOR MINISTRY'S ROLE IN NEW LABOR LEGISLATION, ABDALA'S

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DENIAL OF ANY INVOLVEMENT IS THOROUGHLY BELIEVABLE.  
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